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U.S. House of Representatives
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
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FOR IMMEDIATE RELEASE
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DANIELS SUBCOMMITTEE REPORTS RETIREMENT BILL

Representative Dominick V. Daniels (D-New Jersey), Chairman of the House Subcommittee on Retirement, Insurance, and Health Benefits announced today that his Subcommittee ordered reported to the Committee on Post Office and Civil Service, a modified version of his Civil Service Retirement financing bill, H. R. 770.

The financial condition of the Federal Civil Service Retirement System would be strengthened in the following major ways:

1. Employee and agency matching contributions are increased from 6 and 1/2 percent to 7 percent, effective in January 1970, with Congress retaining the authority to prescribe future contribution rates.
2. Appropriations are authorized to finance additional unfunded liabilities created by the enactment of future legislation, in equal annual payments over a 30-year period.
3. Government will assume responsibility for present fund deficiencies by payment of interest on the unfunded liability created by past legislation.

The Subcommittee agreed to delete those provisions which would have required (1) the Department of Defense to finance the costs of crediting military service, (2) agencies to finance the costs of crediting unused sick leave, and (3) annual appropriations to pay future annuity cost-of-living adjustments.

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The new bill, to be co-sponsored by Committee Members, also provides these improvements in benefits:

1. Annuities will be computed on the high-3 years, rather than the high-5 years, of average earnings.
2. Retirement service credit will be allowed for the calendar value of unused sick leave.
3. An additional 1 percent will be added to all future annuity cost-of-living increases.
4. Annuities of surviving spouses who have remarried since July 18, 1966 will be continued or restored under certain conditions.

The Subcommittee agreed to delete a provision whereby overtime, premium, and differential pay would have been considered as an employee's base pay for deductions and computation purposes.

Congressman Daniels predicted that the modifications adopted by his Subcommittee will be more receptive to the Administration's program, thus enhancing the prospect for the new bill's enactment at an early date.